

[Drop in Article]

Health Insurance Coverage May Continue after Loss of Job

If you lost your job during January and February, you may qualify for a 65-percent subsidy on your COBRA health insurance premium. Whether you are newly-eligible or already receiving the subsidy, you can now receive it for up to 15 months, according to the Internal Revenue Service.

This benefit was created by the American Recovery and Reinvestment Act of 2009, with the eligibility period originally scheduled to expire at the end of 2009. Initially, eligible individuals only qualified for the subsidy for nine months, but the Department of Defense Appropriations Act of 2010, enacted on Dec. 19, extended the eligibility period as well as the maximum time-period of COBRA premium assistance.

As a result, if you are or were involuntarily terminated from your job between Sept. 1, 2008, and Feb. 28, 2010, you may be eligible for this subsidy. Involuntarily terminated employees who meet certain other requirements, and certain family members of those individuals, are referred to as “assistance-eligible individuals.” So employers must provide COBRA coverage to assistance-eligible individuals who will only have to pay 35 percent of the COBRA premium.

The administrator of your former employer’s group health plan or other entity must have notified certain assistance-eligible individuals of the extension by Feb. 17, 2010. If you are an individual whose nine months of subsidy had already ended, the new law also provides an extended period for the retroactive payment of the 35 percent share during a transition period.

There is much more information about the COBRA subsidy, including questions and answers for you and your employer or former employer, on the [COBRA pages](#) of IRS.gov.

Some people who are eligible for the COBRA subsidy also qualify for the health coverage tax credit (HCTC) and may want to choose this more generous benefit instead. The HCTC pays 80 percent of health insurance premiums for those who qualify. Eligible individuals must be receiving Trade Adjustment Assistance benefits or be between the ages of 55 and 65 and receiving pension payments from the Pension Benefit Guaranty Corporation. Individuals must also be enrolled in a qualified health plan. See more at [HCTC: Eligibility Requirements and How to Receive the HCTC](#).